

State Dept. review completed  
Approved For Release 2007/12/17 : CIA-RDP79-00927A010600070001-9

**Page Denied**

Next 2 Page(s) In Document Denied

**Secret**



# Weekly Summary

State Dept. review  
completed

**Secret**

28 December 1973  
No. 0402/73

Copy No 67

The WEEKLY SUMMARY, issued every Friday morning by the Office of Current Intelligence, reports and analyzes significant developments of the week through noon on Thursday. It frequently includes material coordinated with or prepared by the Office of Economic Research, the Office of Strategic Research, and the Directorate of Science and Technology. Topics requiring more comprehensive treatment and therefore published separately as Special Reports are listed in the contents.

### WARNING

The WEEKLY SUMMARY contains classified information affecting the national security of the United States, within the meaning of Title 18, sections 793 and 794, of the US Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law.

## CONTENTS (December 28, 1973)



### 1 The Middle East

#### EUROPE

- 4 USSR: Leadership; Ideology
- 6 Spain: Assassination Aftermath
- 7 Malta: No Crisis Now
- 8 EC: A Late New Year
- 9 Yugoslavia-Romania: Problems Persist
- 10 Finland: Cooperation with CEMA
- 10 Bulgarian Economic Problems

#### EAST ASIA PACIFIC

- 11 Philippines: Looking Ahead
- 12 Cambodia: Fighting Increases;  
Another Government
- 13 Vietnam: Communist Attacks; Giap

#### WESTERN HEMISPHERE

- 14 Cuba: After 15 Years;  
Brezhnev Visit
- 16 Bolivia: Coup Possibility Increases

#### MIDDLE EAST AFRICA

- 17 Greece: New Regime Digs In
- 17 Turkey: Another Failure
- 18 Afghanistan-Pakistan:  
Tensions Continue

#### INTERNATIONAL

- 19 UN: Law of the Sea Conference

25X1

25X1

SECRET

# MIDDLE EAST

## NEGOTIATIONS BEGIN

(NO SOURCES)

The Egyptians and Israelis began disengagement talks in Geneva this week. Representatives of the two sides met for the first time on December 26 in a military working group created at the two-day opening session of the peace conference, which convened on December 21. The group is scheduled to meet again on December 28, but little progress is expected pending the outcome of Israeli elections early next week.

Cease-fire violations recorded this week were limited primarily to exchanges of small-arms fire, but military tensions continue unabated despite the beginning of negotiations in Geneva. The Egyptian media—perhaps in an effort to keep the pressure on Israel to enter into serious bargaining—early this week reported “severe battles” involving exchanges of artillery, mortar, and tank fire.

The number of violations on the Syrian front has diminished somewhat, although Israeli and Syrian forces remain on high alert.

Damascus probably could resume hostilities with little additional preparation, as Syrian military forces are as strong now in both equipment and manpower as they were prior to the October war. Syria has stepped up its military training, and most Syrian ground force units probably have been reconstituted. The Israelis are aware that Damascus has taken a number of steps to put its civilian population and military forces on a war-time footing.

## Egyptian Reaction

Skepticism by Cairo's media over developments at Geneva, although deliberately overdrawn, probably reflects genuine misgivings among the Egyptian leaders. *Al Ahram* noted in a weekend editorial that the conference has not yet moved beyond the disengagement talks that stalled last month at Kilometer 101. The newspaper also chided the US for not attending the new disengagement discussions and charged Washington with abdicating responsibility for ensuring

25X1

SECRET

SECRET

(NO SOURCES)

that the talks achieve rapid progress. The editorials reflect Cairo's usual fears that Israel, without continuous and direct outside pressures, will drag its feet on Arab demands for progress.

Cairo media are also emphasizing that Egypt is going to Geneva under the mandate granted it by the Arab leaders at their Algiers summit in late November, and that it is determined to adhere with "utter seriousness" to the summit's demands for a total Israeli withdrawal and a restoration of Palestinian rights. Foreign Minister Fahmi has been instructed, according to *Al Ahram*, to make it clear that Egypt is seeking an Arab—not merely an Egyptian—solution and that Cairo is equally concerned for Syrian territory and for the Sinai. Without Syria's presence and its support, Egypt is particularly sensitive about its image at the conference and probably worries that pressures from other Arabs to break off the talks will intensify unless its decision to negotiate is justified.

#### Syria Still Holding Back

Syria continues to justify its refusal to attend the conference by characterizing it as nothing more than an extension of the Kilometer 101 talks on troop disengagement in the Sinai. Although Damascus radio has left the way open for Syria to attend at a later stage, it still insists that Israel must first begin to withdraw from occupied Arab territories and agree to safeguard "the national rights of the Palestinian people."

#### Saudi Reaction

Saudi Arabia's tightly controlled press has taken a generally pessimistic view of the proceedings in Geneva. *Al Ukaz* contrasted Secretary Kissinger's expressions of optimism with Mrs. Meir's statements that "reiterate the Israeli position since 1967." The newspaper saw some chance for progress, but pointed out that this depends on Tel Aviv's readiness to withdraw from Israeli-occupied territories in accordance with UN resolutions.

#### Israeli Position

After attending the opening session of the conference, Foreign Minister Eban returned to Israel cautiously optimistic about prospects. He warned, however, that the conference would be lengthy. Prime Minister Meir has reiterated that a successful conclusion can be attained only if Israel's right to exist is acknowledged by the Arabs. She made it clear that although Israel is prepared to compromise on the issue of its eventual borders, it is not willing to return to those of 1967, as the Arabs are demanding. Mrs. Meir stressed that international guarantees cannot replace defensible borders.

Israel's chief negotiator at the talks at Kilometer 101, Major General Yariv, told a reporter

SECRET

(NO SOURCES)

recently that there was a sizable gap between the negotiating positions of the two sides when those talks broke off. He foresaw very difficult discussions at Geneva but said it may be possible to reach an agreement on disengagement because Cairo has a particular interest in getting the Israelis to evacuate their salient on the west bank of the Suez Canal. Defense Minister Dayan told journalists that he believes the chances for success at the disengagement talks are better than even, but warned that Israel could not accept a plan that failed to provide solid provisions against renewed fighting. In any case, the Israelis view the December Geneva sessions primarily as a holding action pending the outcome of next week's parliamentary elections and the formation of a new government.

#### Moscow Takes Upbeat View of Geneva

The Soviets have taken an optimistic view of the initial sessions in Geneva. Foreign Minister Gromyko said he was leaving Geneva "with a feeling of satisfaction," and the Soviet press hailed the "businesslike and constructive character" of the conference as a "great achievement." By such positive treatment, Moscow is seeking to maintain the momentum of the talks. The Soviets had apparently been concerned that Egypt would balk at continuing if progress was not made in the initial round. In addition, the Soviets want to rebuke Syria and other Arab states who have attacked the conclave.

In his speech to the conference, Foreign Minister Gromyko predictably placed on Israel the burden for securing a settlement. Gromyko avoided stridency, however, and struck some positive notes. He soft-pedaled the Palestinian problem and implied Soviet willingness to restore diplomatic relations with Israel as part of a settlement. Gromyko also provided the first authoritative public Soviet endorsement for "reciprocal" demilitarized zones in "certain sectors," endorsed "temporary" deployment of "international personnel" to police a settlement, and restated Soviet willingness to make "appropriate commitments" to guarantee an accord.

#### ISRAEL: ELECTION PROSPECTS

Mrs. Meir's Labor Alignment is expected to emerge from the balloting on December 31 strong enough to form another coalition government, according to the US Embassy in Tel Aviv. The embassy also reports, however, that there is some discussion in Israel that Mrs. Meir's coalition partners may balk at rejoining a government under her leadership, particularly if Israel appears too concession-minded at Geneva. The embassy is reasonably certain that if such difficulties arise, they could be overcome without forcing a second election.

The opposition parties, led by the right-wing Likud group, have seized as election issues:

- the government's handling of the war and the economy;
- its inability to secure the release of Israeli POWs held by Syria;
- its alleged bowing to US pressure to negotiate;
- its willingness to make concessions at the peace talks.

The opposition's tactics may have had some effect. According to press accounts, recent Israeli polls show that about one third of the country's approximately two million voters—more than in any previous election—are still undecided. Mrs. Meir's Labor Alignment, on the other hand, feels there is a strong undercurrent in Israel for a settlement. It is attempting to capitalize on this by assuming the mantle of the peace party and trying to characterize Likud as a party of inflexible war-hawks. A strong showing for Likud—although unexpected—would seriously limit or even negate Tel Aviv's ability to negotiate.

SECRET

## USSR

### NO CHANGE AT THE KREMLIN

3 [The meeting of the Soviet party's Central Committee this month sparked speculation in Moscow and the West that it might be the occasion for some changes in the leadership. Even though no changes were announced, this failed to quiet the rumors of disagreement and impending shifts at the top. Such changes are an ever-present possibility, of course, but they seem no more likely at the moment than they have been for some time. The current reports generally agree that General Secretary Brezhnev's pre-eminence continues to grow, but the speculation casts doubt on the future of some other leaders, such as Premier Kosygin, party secretary Suslov, and President Podgorny.]

4 [Such factors as age, health, and the large size of the Politburo make the eventual departure or reassignment of some individuals a real possibility. At present, however, most public signs point to a normal state of affairs in the Kremlin. Most leaders are active and are making public appearances, including a recent round of speech-making in the Soviet republics. On domestic issues, Brezhnev seems to be taking the middle road, avoiding direct challenges to other leaders. In foreign affairs, he appears able to live with the strains that result from pursuing detente with the West while trying to protect Soviet interests and the ideological foundations of the communist world.]

3 [In his speech to the Central Committee on December 10, Brezhnev sharply criticized economic management and called for more party control. The speech was not published, but a *Pravda* editorial on December 16 contained what appeared to be the major points raised by the General Secretary. The publicity accorded the event seemed to raise Brezhnev's public authority as an economic leader. Although this did not reflect well on Kosygin, Brezhnev appeared to be trying more to improve his own political image than to put down the Premier. Brezhnev dropped hints of support for innovation in the economic system but avoided endorsing particular measures. In some instances, he seemed to approve rather conflicting approaches.]

3 [Kosygin attended the opening of the Supreme Soviet on December 12, but did not turn



Podgorny, Brezhnev, Kosygin, Suslov

out with other leaders for the sessions on the following two days. These absences were unusual but could have an innocent explanation, such as illness.]

4 [Some reports have suggested that Brezhnev's enthusiasm for detente has clashed with Suslov's concern for the ideological integrity of the socialist camp. Strain between these two impulses will undoubtedly continue to provide a potential for controversy among the Soviet leadership. Nevertheless, while Brezhnev's and Suslov's public statements give different emphasis to these two aspects of present policy, each has also endorsed the other's viewpoint. Thus, Brezhnev has acknowledged the importance of the ideological struggle, and Suslov has publicly endorsed detente. The two seem to have accepted this dichotomy in policy and even the rather different roles each has to play in implementing it. For his part, Suslov demonstrated continued authority when on December 18-19 he chaired the Moscow conference of party secretaries from socialist countries, which discussed ideological cooperation and the struggle against Western subversion.]

3 [Podgorny's public stature remains unchanged. He continues to receive and play host to foreign leaders, such as South Vietnamese Provisional Revolutionary Government "President" Nguyen Huu Tho. The differences he may have with Brezhnev are probably moderated by their personal ties. There has been persistent speculation that Brezhnev covets Podgorny's or Kosygin's state title, but the General Secretary has managed well without one and it is questionable how strongly he feels such a need.]

SECRET

SECRET

## IDEOLOGISTS MEET

5 The communique summarizing talks at last  
 6 week's meeting in Moscow of party specialists  
 7 from all the Warsaw Pact countries plus Cuba and  
 Mongolia, together with subsequent Soviet press  
 coverage, leaves little doubt that Moscow is pre-  
 paring for another international communist con-  
 ference along the lines of the 1969 gathering.

7 The Soviet party's leading ideologue, Mikhail  
 Suslov, chaired the sessions held on December  
 18-19. Other Soviet participants were party secre-  
 taries Katushev (relations with ruling Communist  
 parties), Demichev (culture and propaganda), and  
 Ponomarev (relations with non-ruling parties). All  
 the foreign participants were central committee  
 secretaries responsible for ideology or inter-party  
 relations. The conferees met privately with Brezh-  
 neev on the final day of the meeting.

7 The communique goes beyond strictly ideo-  
 8 logical matters—the ostensible major item on the  
 agenda last week—by underlining Moscow's deter-  
 mination to develop broad areas of cooperation  
 among Communist parties. Moreover, it echoes

## USSR: SOYUZ COMES HOME

(9 + 10)

Soyuz 13 and its two cosmonauts were  
 deorbited early on December 26 after an  
 eight-day mission. According to TASS an-  
 nouncements, recovery operations went well  
 and both cosmonauts are in good health. No  
 major problems were noted during the course  
 of the flight. The cosmonauts performed a  
 variety of tasks including earth-resource sur-  
 veys, biomedical experiments, and observa-  
 tion of ultraviolet emission from the stars.  
 Neither cosmonaut had any prior experience  
 in space.

the softer line on the ideological struggle intro-  
 duced in Brezhnev's speech at Alma Ata last  
 August, when he called for the "defending and  
 spreading of the ideals of socialism and peace."  
 Although the communique criticizes "ideological  
 diversions" from unnamed sources, it omits the  
 claim that efforts to subvert the socialist system  
 are inherent in the Western approach to detente.

5 Meanwhile, a *Pravda* article has spelled out  
 5 Brezhnev's "victory through contacts" approach  
 by citing the Soviet leader's remarks to the meet-  
 7 ing. According to *Pravda*, Brezhnev emphasized  
 "propagandizing the achievements of real social-  
 ism and the foreign policy of the socialist coun-  
 tries in the defense of the peace and security of  
 all peoples." On the other hand, another article in  
*Pravda* on December 21, rehashed arguments for  
 socialist unity and included a pretentious dis-  
 cussion of "proletarian internationalism" in a  
 manner that implied much closer ideological ties  
 between the Soviet and other Communist parties.  
 The article also calls for an unyielding struggle  
 against Maoists and other "splitters."

8 A conference of West European Communist  
 parties is already scheduled for early 1974 in  
 Brussels, and Moscow seems to have enough sup-  
 port for an all-European meeting by late 1974.  
 The Poles probably were given the task of pre-  
 paring the way for the all-Europe meeting. Po-  
 land's party chief Gierek, who was in Moscow on  
 December 17-18, did not take part in the meeting  
 of specialists but talked with Brezhnev,  
 Demichev, Katushev, and Ponomarev.

8 The Soviets have reportedly provided suf-  
 ficient assurances to the Romanians and the  
 Italians, among others, to gain their participation  
 in an all-European meeting. It remains to be seen,  
 however, how successful Moscow will be in  
 gaining the participation of other independent-  
 minded parties in a full-fledged international con-  
 ference.

25X1

SECRET



**SECRET**

## SPAIN: ASSASSINATION AND ITS AFTERMATH

11 [The slaying last week of Premier Carrero Blanco complicates General Franco's carefully laid succession plans and compounds the uncertainties of the post-Franco era. Although emotional crowds of far rightist groups turned Carrero's funeral procession into a pro-regime demonstration, the general atmosphere elsewhere has remained calm.]

11 [Vice Premier Fernandez-Miranda, who automatically became acting premier, is a leading candidate for a permanent appointment. As a close associate of the murdered leader and an advocate of his restrictive political policies, Fernandez-Miranda can be expected to carry on the regime's policies. He lacks the prestige Carrero had as Franco's long-time choice as a successor, however, and he is more likely to be challenged by others wanting the post. Although Franco could delay his decision, he is expected to follow the constitutional provision that calls for naming a new premier within ten days—informally interpreted to mean working days.]

11 [In view of the possible threat to law and order implicit in the assassination, Franco may conclude that the premiership should go to someone further to the right than Fernandez-Miranda. A possible compromise choice would be the president of the Cortes, Rodriguez de Va carcel. If a military choice is deemed advisable, General Manuel Diez-Alegria, chief of the High General Staff, is a possibility, but more conservative military leaders are available. Other possible civilian choices are former information minister Fraga (now ambassador to London), one-time labor minister Giron, former minister of the National Movement Cuesta, and the present foreign minister, Lopez Rodo. Franco might even decide to reassume the post himself.]

12 [The other part of Franco's succession plan remains intact. Prince Juan Carlos, whom Franco named in 1969 as king-designate, is still slated to become chief of state when Franco dies or is incapacitated.]

12 [The police have identified the assassins as six Basque terrorists, who are still at large. All reportedly are members of an outlawed separatist organization known as ETA, which stands for Basque Fatherland and Liberty. ETA has sought to dramatize its demands for a separate state and to raise funds to continue its struggle by carrying out a number of bombings, kidnappings, and bank robberies in northern Spain.]

14 [Meanwhile, the trial of the "Carabanchel Ten" dissident labor leaders, which began the day



General Franco leading the Carrero funeral procession

**SECRET**

SECRET

of the assassination, was concluded last week in spite of the three-day mourning period. The prosecution has demanded 12-to-20 years for "illegal association," and a verdict of guilty is expected, possibly before the end of the year.

- 15 The Spanish Communist Party, of which most of the Carabanchel Ten reportedly are members, and other anti-regime elements had expected to use the trial to publicize the absence of human rights and free trade unions in Spain. Their hopes were dimmed by the assassination, which stole the headlines. Nevertheless, a number of foreign observers at the trial held a press conference in 16 Madrid at which they issued a statement attacking the government for rigging the trial and for restricting political rights. After the verdict is made known, Franco may reduce the sentences in order to minimize the impact on Spain's image abroad.

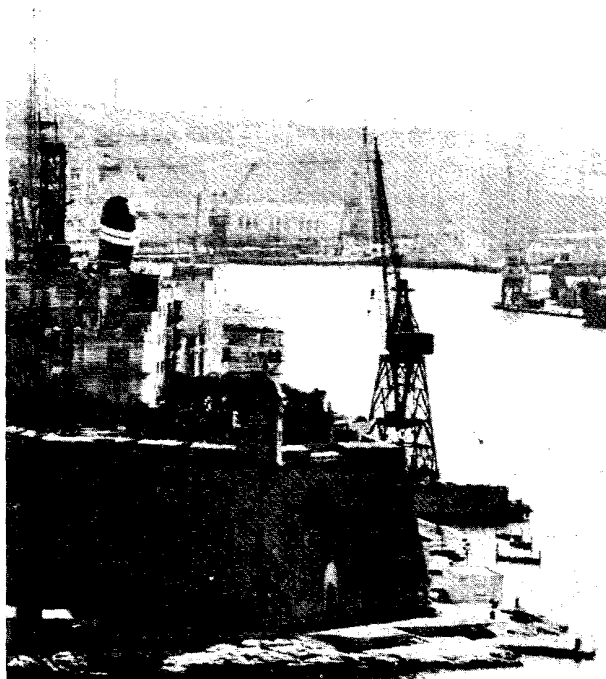
differences. The prospect of a settlement with London and the recent decision by the other NATO allies to continue making special payments—as compensation for sterling losses relating to the base rental agreement—seem to have given Mintoff sufficient ammunition to ward off any domestic political embarrassment over the base problem.

18 Moreover, although several sectors of the economy declined sharply in the months after Mintoff took office, a general recovery appears to be under way. Tourism is now expected to break previous records and, thanks to a new set of investment incentives offered earlier this year, industrial growth has been significant if not dramatic. Mintoff has been untiring in soliciting soft loans and gifts from various countries in order to

#### MALTA: NO CRISIS NOW

- 17 Prime Minister Mintoff appears to have decided against creating a year-end confrontation 2 over the base agreement with Britain, even though his differences with London are still unresolved. 19 Malta's improved economic prospects and Mintoff's strengthened political position apparently have alleviated, at least temporarily, the Prime Minister's need to blame Malta's problems on foreign powers. In addition, Mintoff recently has played a relatively active role at several international meetings, which further alleviates the need for a crisis to achieve his goal of "putting Malta on the map."

- 17 Mintoff is still pressing the UK to compensate Malta for losses suffered on the base rental agreement when sterling was devalued in mid- 19 1972. Despite several meetings during the past year, the two sides have been unable to agree on the compensation issue or several other bilateral problems. After his trip to London last month, however, Mintoff claimed that British officials had discussed a "new approach" to settling their



Valletta Harbor

SECRET

**SECRET**

expand industry, particularly state-owned enterprises. To ease the unemployment problem, particularly among young males, the government established a 6,000-man paramilitary Pioneer Corps, which is engaged in highly visible public works and housing projects]

**EC: A LATE NEW YEAR**

(20 + 21)

The deadlock over regional aid policy that developed last week at the EC Council meeting could bring on a real crisis in the community if not resolved by early next month. Although it now appears that an "end-of-the-year" package will be put together at a Council session on January 7, all the elements of a compromise are not yet visible, and a satisfactory outcome will require high-level bilateral consultations between London and Bonn.

The Council dispute erupted over the wide gap between what Britain—supported by Italy and Ireland—wanted from a fund to aid economically depressed regions in the community and what West Germany—the principal contributor—was willing to pledge. Bonn's proposal fell far short of even the Commission recommendation (about \$2.75 billion, already less than what London had demanded). When it became clear that Bonn was not prepared to propose a significantly higher amount, British Foreign Secretary Douglas-Home refused to go along with the common EC energy measures that had been decided on in principle at the summit. Moreover, implementation of the so-called second stage of economic and monetary union, of which regional policy is a part, also had to be postponed. The "clock was stopped" in order that subsequent agreement could still meet the EC's year-end deadline.

17 Mintoff's economic policies, along with his determination to maintain price stability, have consolidated his political position. The opposition Nationalist Party is suffering from a lack of leadership and does not appear capable of offering an effective challenge. The Prime Minister's immediate political future seems secure, and some members of the opposition fear that Mintoff will even further enhance his position next year. He seems to have resolved some of his differences with the General Workers Union, which includes many of the workers at the government-owned dry docks. Earlier this year, Mintoff imposed several unpopular austerity measures on the dry docks, which were suffering substantial deficits. The government now claims to have eliminated these problems and Mintoff is actively seeking repair work from many quarters in order to put the dry docks on a more secure economic footing]

17 During much of the year, Mintoff dramatically championed the Arab cause, a policy that he is intent on following although it is not popular domestically. In June, he created turmoil at the preliminary session of the Conference on Security and Cooperation in Europe when he demanded participation for "all Arab states bordering on the Mediterranean." Mintoff's attendance at the non-aligned conference in Algiers last September was clearly intended to strengthen his credentials with neighboring Arab states. The Prime Minister's histrionics have had little impact on Middle East events, but he enjoys the limelight that such activity gives him. Mintoff pays special attention to Libya, and was recently visited by President Qadhafi, presumably to discuss bilateral relations and the oil crisis. In a further gesture to the Arab world, Mintoff threatened to break diplomatic relations with Israel after two Israeli patrol boats were discovered in Maltese waters.

25X1

25X1

25X1

25X1

**SECRET**

SECRET

## YUGOSLAVIA-ROMANIA: PROBLEMS PERSIST

22 [High-level Romanian and Yugoslav party officials met in Bucharest on December 16-17, apparently to try to paper over disparate views on several important international questions, including the Middle East. It is unlikely that any significant progress was made, but the talks do indicate that both sides want the squabble to stay private and channels of communication to stay open.]

22 [Stane Dolanc, Tito's heir-apparent in the party, headed the Yugoslav delegation in talks with Ceausescu. Foreign relations specialists from each side were the only other publicized participants. Dolanc, who is plain-spoken but highly pragmatic, probably stressed unifying themes rather than differences, but a Romanian press item on the talks inferred that bilateral differences still persist.]

23 [Such differences, particularly over the Middle East—where Belgrade's vehement support of the Arabs sharply contrasts with Bucharest's neutralist stand—have already been the subject of discussions. The Yugoslav and Romanian foreign ministers met in November but failed to make any apparent progress. Earlier this month, a Yugoslav radio commentary sharply attacked the joint declaration of principles governing international relations that President Nixon and Ceausescu recently signed in Washington. Although the broadcast was not official, it implied that Ceausescu was unwise to trust Washington. This is a line that Bucharest deeply resents, especially in view of Tito's evidently growing "trust" in the Soviets, which he acknowledged in the communique summarizing his talks with Brezhnev in Kiev in November.]

23 [The issue of Belgrade's closer relationship with Moscow may in fact pose more problems for the Yugoslav-Romanian "alliance of convenience" than their disparate stand on the Middle East. After the Arab-Israeli war in 1967, Belgrade and Bucharest resolved similar problems fairly quickly, but the Romanians now almost certainly feel a greater sense of isolation. The Soviets are not only preparing for European and international Communist meetings, which the Romanians are uneasy about, but Tito is also actively pursuing improved relations with Moscow. In wishing to



Ceausescu and Tito in 1969

improve Yugoslav-Soviet relations, for example, Belgrade reportedly plans to comment less on the Sino-Soviet quarrel, on which the Romanians have oft expressed views contrary to Moscow's.]

22 [Romanian and Yugoslav press accounts suggest that other foreign policy issues were discussed, including the European security talks. Policy conflicts between Belgrade and Bucharest over the means to guarantee Balkan security could expand the area of bilateral discord. The Romanians, for instance, are much more eager than the Yugoslavs to promote Balkan regionalism, including international conferences to this end.]

23 [These and other differences suggest that further high-level Yugoslav-Romanian discussions may be in the offing.]

25X1

25X1

SECRET

**SECRET**

25X1 [redacted] Such meetings have, recently  
 25X1 become the rule rather than the exception, but  
 even if they meet the two leaders may be hard  
 put to keep their relations in good repair. [redacted]  
 [redacted]

ably hoped that the CEMA project would divert  
 Soviet attention from those negotiations. 25X1

Unlike the EC agreement, which was finally  
 ratified last month, Helsinki's accord with CEMA  
 will have little immediate effect on the Finnish  
 economy. Nevertheless, judging by the number of  
 recent bilateral meetings between Finnish trade  
 officials and their counterparts in East European  
 capitals, the CEMA pact may provide a forum  
 that could lead to the removal of trade barriers  
 and eliminate some duties. For the Finnish Gov-  
 ernment, the two agreements are a further step in  
 its policy of balanced neutrality, characterized by  
 "commercial relations without political connec-  
 tions." [redacted] 25X1

## FINLAND: COOPERATION WITH CEMA

(24 -28)  
 The special commission linking Finland with  
 the Council of Economic Mutual Assistance, the  
 Soviet-dominated East European counterpart of  
 the European Communities, has decided to estab-  
 lish working groups to promote collaboration and  
 exchange of information in a dozen industrial and  
 economic categories. Although the eventual scope  
 of cooperation could be substantial, the pro-  
 tracted scheduling of future commission meetings  
 suggests that the Finns are keeping their CEMA  
 "partners" at arm's length. Helsinki evidently sees  
 its relationship with the group merely as a cos-  
 metic balance to its recently ratified free-trade  
 agreement with the EC.

The working group categories agreed on at  
 the first meeting in Moscow on November 29-30  
 include construction, shipbuilding, chemicals,  
 power stations, electronics, transportation, sci-  
 ence and technology, containerization, forestry,  
 finances and statistics, standardization, and some  
 aspects of foreign trade. The working groups are  
 to recommend plans for cooperation at the next  
 commission meeting, scheduled for October  
 23-24, 1974. If the Finnish Government and "in-  
 terested CEMA countries" approve the recom-  
 mendations, joint projects will be undertaken.

Finland's ruling Social Democrats, always  
 anxious to placate Moscow, are credited with the  
 original idea for a cooperation commission, but it  
 was first suggested to Soviet Premier Kosygin in  
 April 1971 by a Centrist prime minister. After the  
 first official bilateral discussion in Moscow in  
 February 1972, the Finns claimed [redacted]  
 they saw no possibility for real cooperation. Hel-  
 sinki then was caught up in tough bargaining with  
 Brussels for its EC free-trade agreement and prob-

## BULGARIA: MEETING THE MEAT CRISIS

(NO SOURCES)  
 Bulgaria has turned to the private sector in  
 an effort to overcome chronic shortages in meat  
 and dairy products. Reversing previous policies,  
 the state is now stressing that only by increasing  
 the private livestock holdings of members of co-  
 operatives can the goals of the current Five-Year  
 Plan be met. The Central Cooperative Union, the  
 state agency responsible for supplying cooperative  
 farms, has announced plans to provide the private  
 sector with stables, fodder, and breeding stock.

Private owners account for over 20 percent  
 of Bulgaria's cattle and pigs, 39 percent of its  
 sheep, and nearly 50 percent of all poultry. The  
 Council of Ministers in 1971 lifted all bans on  
 private livestock breeding and gave owners access  
 to public grazing land as well as surplus fodder  
 from collectives.

Despite these measures, private owners con-  
 tinued to have problems securing an adequate  
 supply of feed. The establishment of a guaranteed  
 supply at favorable prices is likely to help boost  
 output of livestock. The success of the program,  
 however, will depend on an increase in feed sup-  
 plies from either domestic output or im-  
 ports. [redacted] 25X1

**SECRET**

SECRET

# PHILIPPINES: LOOKING AHEAD

31 Opposition forces once hoped that the end of President Marcos' elected term under the old 1935 constitution would occasion mass protests against the continuation of martial law. As the expiration date on December 30 approaches, however, it is clear that few Filipinos feel strongly about the immediate constitutional issue or the legalities of Marcos' political position. The President has taken the precaution of arresting several dissident leaders and placing the army on alert, but he is now looking ahead to the future rather than to the next few days.]

29 [Marcos continues to ponder the problem of succession. He is concerned that the lack of a named successor, or of an established process for choosing one, could affect popular attitudes toward his government, particularly among businessmen. Nevertheless, 15 months of martial law without serious incident bodes well for the longevity of Marcos' regime, and most investors are undoubtedly more sanguine about the future this December than last. Marcos, hoping to calm any remaining qualms, may still provide a framework for political continuity by creating a tame legislative body.]



President Marcos

33 [Marcos' major problems are more likely to be economic than political. The Arab oil embargo gave him a bad scare, but careful diplomacy and a timely switch to a pro-Arab foreign policy gained exemptions for Manila. Even so, the Philippines, like other underdeveloped countries, faces increased prices for critical industrial imports. Inflation and unemployment are already hurting urban centers, traditionally the most anti-Marcos areas.]

25X1

33 [None of the various opposition groups, communist or non-communist, is capable of seriously threatening Marcos' government in the near future. A serious economic crisis, however, could provide the catalyst needed to forge an effective, mass-supported united front.]

25X1

25X1

SECRET

**SECRET****CAMBODIA****Of Rivers, Rockets, and Roads**

34 The level of fighting in the Phnom Penh area went up a bit this week as Khmer Communist forces moved to the banks of the Mekong River and fired rockets into the capital city for three successive days. The government has now begun to push the Communists back, but several river-side villages 10 to 15 miles upstream from Phnom Penh were still under heavy pressure late in the week.

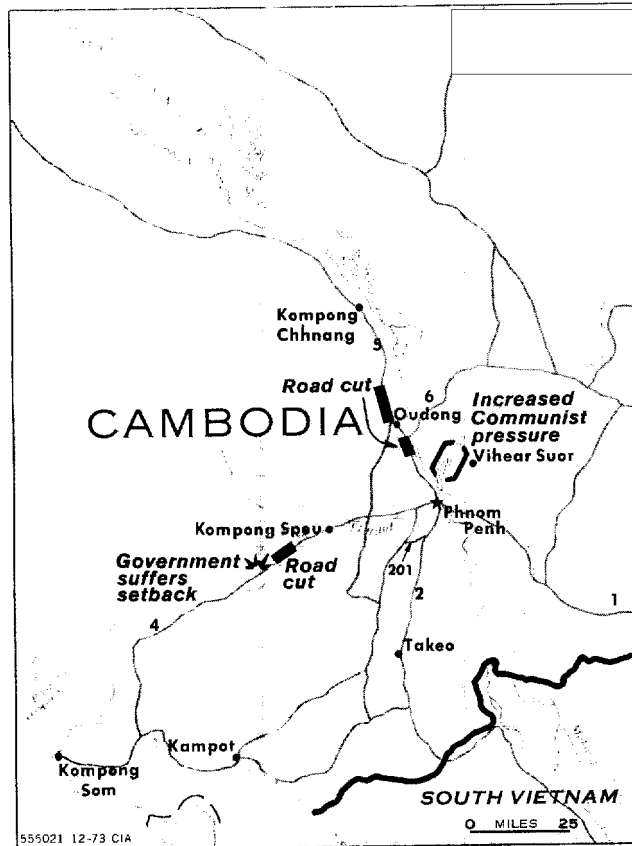
34 Fighting is also close to the capital to the north, where government troops have been unable to dislodge the insurgents from a five-mile stretch of Route 5 just below the garrison town of Oudong. The capital's southern front remains relatively quiet although Communist forces early in the week mounted another abortive effort to cut Route 1 about ten miles from the city.

34 Farther from the capital, the government suffered a setback on Route 4 when Communist forces late last week overran two positions near the much-contested stretch of highway just southwest of Kompong Speu City. The reversals came just as the month-long government clearing operation in the area was gaining momentum.

34 major Communist reinforcements have recently been ordered to the Route 4 front. The provincial capitals of Takeo and Kampot are also still under siege, although neither town appears to be in immediate danger.

**Ring in the New**

36 As things go in Phnom Penh, the formation of another government was achieved with unusual alacrity. Once he arrived back from New York late last week, it took Long Boret only four days



to organize his new cabinet. The 16-man body appears to hold out some hope for improvement—it is smaller and contains fewer contentious figures. Not unexpectedly, the cabinet is dominated by President Lon Nol's Socio-Republican Party, but Sirik Matak's Republican Party, the "independents," and the military are also represented. The new ministers planned to meet at mid-week to begin grappling with such sticky problems as teacher strikes, a lagging conscription drive and general economic malaise.

25X1

25X1  
25X125X1  
25X1**SECRET**

## VIETNAM

### A High Point for the Holidays

38 [Communist ground attacks and shellings increased sharply for about three days last week, most of it in the delta, where the level of military activity was the highest since the Paris accord was signed last January. Hardest hit were government outposts in Chuong Thien and Dinh Tuong provinces. Scores of small villages were shelled, and government rice-collection efforts came under renewed pressure. Sporadic clashes were also reported in the region around Saigon. None of the actions, however, represents a serious effort to capture a population center or cut a major road-way]

38 [Activity is slowing down in the highlands, where the government is trying to retake border camps lost to the Communists last month. Saigon has made little progress in its effort to retake the camps. Bad weather and high winds are limiting air strikes against North Vietnamese defenses, and South Vietnamese reconnaissance units report that the Communists are solidly entrenched at

both Bu Prang and Bu Bong. The South Vietnamese 23rd Division is moving cautiously in the area, but the Military Region 2 commander says that unless there is "heavy contact" in the next couple of weeks, he intends to withdraw two of the 23rd's regiments for duty elsewhere in the region.]

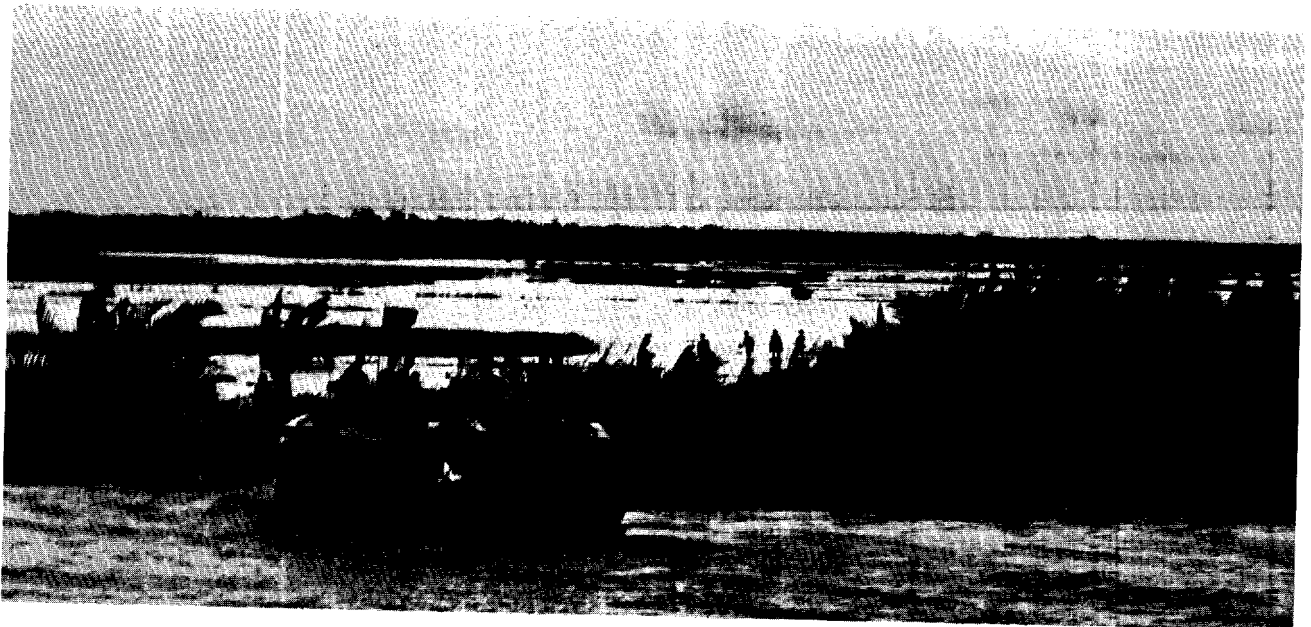
### The General Misses Army Day

41 [Defense Minister Giap, who over the years has appeared regularly at public functions, missed the ceremonies marking the 29th anniversary of the founding of the North Vietnamese Army last week.]

25X6

25X6

25X6



SECRET



## CUBA

### AFTER FIFTEEN YEARS

(NO SOURCES)  
The Castro government is beginning its 16th year in power in the midst of a major restructuring of its party and government bureaucracies. During 1974, the Cuban Communist Party is expected to begin an island-wide series of meetings in preparation for a party congress—Cuba's first—which probably will be held in 1975. The congress will climax a process of institutionalization initiated in 1970 to escape the economic stagnation and administrative chaos brought on by the Castro regime's spontaneous style of decision-making.

The Communist Party, with Soviet guidance, has been undergoing a reorganization to increase its influence in the formulation and execution of regime policies. Since 1970, numerous functional departments have been attached to the central committee to serve as links between the party and the government. The party secretariat—charged with the daily administration of party business—was expanded from six to ten members in February 1973. In addition, the party representatives are assuming more influence in the management of economic enterprises.

The sweeping reorganization of the top levels of the government in November 1972 established eight administrative sectors—each headed by a vice prime minister—to supervise and coordinate the activities of related agencies that previously had been operating independently. The new system has freed the top leaders from active involvement in routine matters and enabled them to concentrate on long-range policy formulation.

Increasing Soviet involvement in the Cuban economy has resulted in more orthodox policies at the expense of some of the basic tenets of the Cuban revolution. Many of these policy reversals were reaffirmed by Castro in his speech closing the National Labor Congress on November 15. Generally, the new measures are a modest begin-

ning toward reorienting the economy along more rational lines.

The institutionalization process, while restricting Fidel's free-wheeling style, has not affected his ultimate authority. Nevertheless, it does reflect the rising influence of Cuba's old communists as well as the steady integration of Cuba into the Soviet orbit. Because he has no real alternative, Castro will probably continue to follow much of Moscow's advice. Further changes in both the party and the government are likely as the regime searches for the right combinations, but Fidel's position as primary leader is unlikely to change.

### BREZHNEV VISIT POSTPONED

46 [Soviet party leader Brezhnev has put off his official visit to Cuba, which had been scheduled to begin this week, but he does plan to go to Havana in mid-January. Although neither side has acknowledged publicly that there has been a postponement, word of the change was passed "unofficially" last week to the US Embassy in Moscow by the Soviet Foreign Ministry.]

46 [Reports that the visit—a first for Brezhnev—would be delayed began to circulate in Moscow in mid-December as Cuban Deputy Premier Rodriguez was winding up a one-week visit to the Soviet capital. Rodriguez, Havana's primary negotiator with the Soviets, ostensibly was in the USSR for talks on bilateral economic cooperation, but his primary mission probably was to complete preparations for the Brezhnev visit.]

46 [The timing of the reports of a postponement suggests that Rodriguez could not assure the Soviets that Premier Castro would refrain from harsh anti-US statements during the New Year celebrations, which mark the 15th anniversary of his accession to power. Aware of US sensitivity to the Cuban situation and that the anniversary

**SECRET**

SECRET

festivities could receive considerable media coverage in the US, Brezhnev may have thought it prudent to avoid any implication that he was associating himself with Castro's statements.]

46 [Whatever the explanation given the Cubans, Havana will not be happy over a delay that implies a Soviet downgrading of Cuba's importance. Rodriguez indicated as much in his Moscow departure statement, noting that Cubans are "impatiently awaiting" the Soviet party leader's visit.]

45 [Cuba's concern over the implications of US-Soviet detente will be a key topic regardless of when the Brezhnev-Castro talks occur. Hostility toward the US has been a key element of Fidel's foreign and domestic policies. Brezhnev is unlikely to receive an unqualified endorsement from Castro on detente, but the Cuban leader may agree to avoid open criticism.]

45 [Brezhnev, in turn, will want a firsthand look at why Cuba has been unable to shore up its economy in spite of the infusion of \$4.6 billion in Soviet assistance since 1961.  a Latin American Communist party conference will take place in Havana during the Brezhnev visit. Beyond the opportunity for direct contacts, such a session fits nicely into Soviet plans for regional preludes to a world communist conference later in 1974. ]



Castro on a visit to the USSR

SECRET

**SECRET**

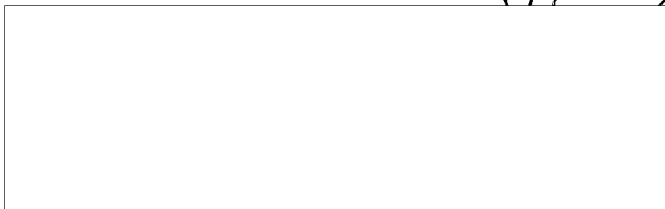
**Victor Paz Estenssoro**



**President Banzer**

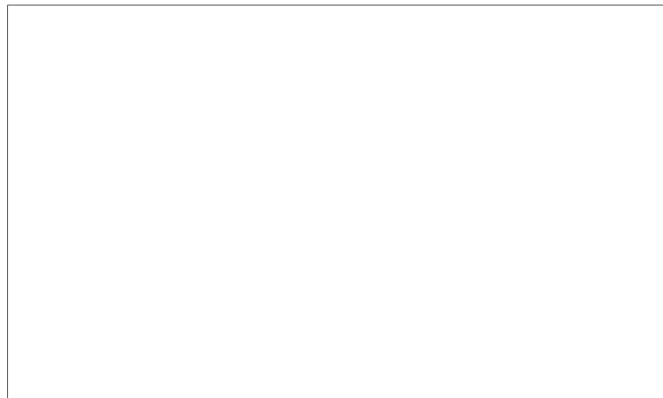


**BOLIVIA: COUP POSSIBILITY INCREASES**  
(47-52)

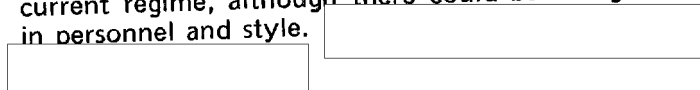


Paz, a former president who heads the country's largest political party, the National Revolutionary Movement, recently broke with the government. Some elements from Paz' party stuck with Banzer, however, and the President is playing on their ambitions in order to weaken Paz. In addition, the President, as expected, announced postponement of the 1974 presidential elections. Designed to stifle overt political wrangling, this move is consistent with Banzer's claim that the country cannot afford a change of leadership in the near future.

Banzer's regime is slipping as its three-cornered base of support erodes. Each of its supporting elements—the military, the rightist Social Falange, and the National Revolutionary Movement—has suffered internal splits in recent months, and historic differences among the three have again surfaced. All three are increasingly concerned over the country's serious economic problems, although there is no agreement on how to solve them.



In an effort to stay in power, Banzer may find it convenient to fabricate charges against some of his known opponents to justify action that would separate them from their base of support. Nevertheless, with large portions of each of the formerly pro-government groups now in some form of opposition, a serious attempt to remove Banzer seems likely especially if a leader emerges around whom the dissatisfied elements can coalesce. Inasmuch as the military wields the real power and has held the presidency most of the time since 1964, the most likely successor would be another officer. Neither foreign nor domestic policies would differ drastically from those of the current regime, although there could be changes in personnel and style.



**SECRET**

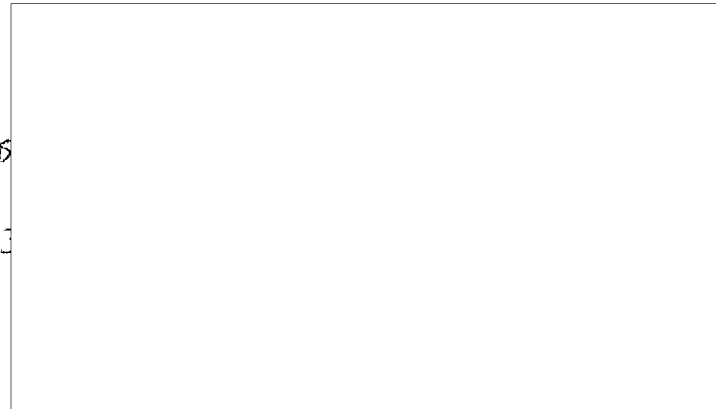
25X1

25X1  
25X1

### GREECE: NEW REGIME DIGS IN

56 [The new military rulers last week strengthened their internal security apparatus and issued their first formal pronouncement. This so-called constituent act provides a legal basis for their regime and eliminates several constitutional features that had been instituted by former president Papadopoulos.] 7

56 [The act extends martial law indefinitely, for example, although the president must declare its continuation every three months. It also empowers the Council of Ministers to exercise legislative authority through decrees countersigned by the president. Moreover, the presidency is stripped of the special authority Papadopoulos had reserved over national defense, foreign policy, and public order.] 7



25X1

### TURKEY: ANOTHER FAILURE

(NO SOURCES)

Turkey's leadership vacuum continues, 11 weeks after parliamentary elections failed to give any political party a clear majority. Caretaker Prime Minister Naim Talu has given up his attempt to form a government, and on December 25 asked President Koruturk to relieve him of the responsibility. Talu was unable to get the political parties to agree upon a short-term coalition government embracing all significant parliamentary groups. [redacted] 25X1



Istanbul

SECRET

## Afghanistan-Pakistan TENSIONS CONTINUE

66 Kabul and Islamabad continue to view each other with extreme suspicion. Relations deteriorated quickly following the return to power in Kabul last summer of President Daoud, who has long advocated the creation of an independent nation—Pushtunistan—from Pakistan's two frontier provinces. More recent developments have reinforced mutual suspicions, but both sides still are inclined to avoid open warfare.

66 The Afghans continue to charge, both publicly and privately, that Islamabad is refusing to enter into any realistic discussion of mutual problems—a clear reference to Pushtunistan—and is oppressing the people of the two frontier provinces.



65 Pakistan has been trying to prevent the annual migration across the border of several hundred thousand Afghan tribesmen, apparently because it suspects that Kabul will try to infiltrate guerrillas along with them. The Pakistanis also probably want to burden the Afghans with the tribesmen. The Afghans claim that the restless tribesmen may move into Pakistan without permission, which could provoke border clashes.

25X1

63 Reports—sometimes exaggerated—of military preparations by both sides have increased tensions more than is warranted by the small-scale troop movements that have actually occurred. Each side continues to proclaim its willingness to seek a reasonable solution while denouncing the other's real and imagined faults. There has been, however, no further increase in the level of propaganda since Prime Minister Bhutto's tour of the frontier in November, during which he made statements that the Afghans found "deliberately provocative" and "clearly unacceptable."

25X1

SECRET

SECRET

## UN: LAW OF THE SEA CONFERENCE

(No sources)

The long-planned third UN conference on the Law of the Sea, which will attempt to draft a new international treaty governing all aspects of ocean use, got under way in New York this month with a two-week preparatory session. Delegates adopted an agenda, elected officers, and established a committee structure for the conference's substantive session, scheduled to begin next June in Caracas.

Previous Law of the Sea conferences—held in 1958 and 1960—addressed only isolated issues of international ocean use and failed to reach agreement on many vital issues, such as the extent of territorial waters. Many aspects of the four treaties produced at the earlier conferences are now obsolete in the face of new and intensified methods of ocean exploitation.

The preparatory session was generally successful with most of the work completed according to previous agreements, and the elected officers generally well qualified. The session was nevertheless marked by a contentiousness that promises to increase as delegates move closer to a binding international treaty. As expected, the developed and non-aligned states were ranged on opposing sides in much of the debate. There was, however, sufficient splintering of groups—the US opposing the Europeans on committee assignments, the Africans opposing the Asians on agenda order—to indicate that the Caracas conference will not be a simple North-South confrontation.

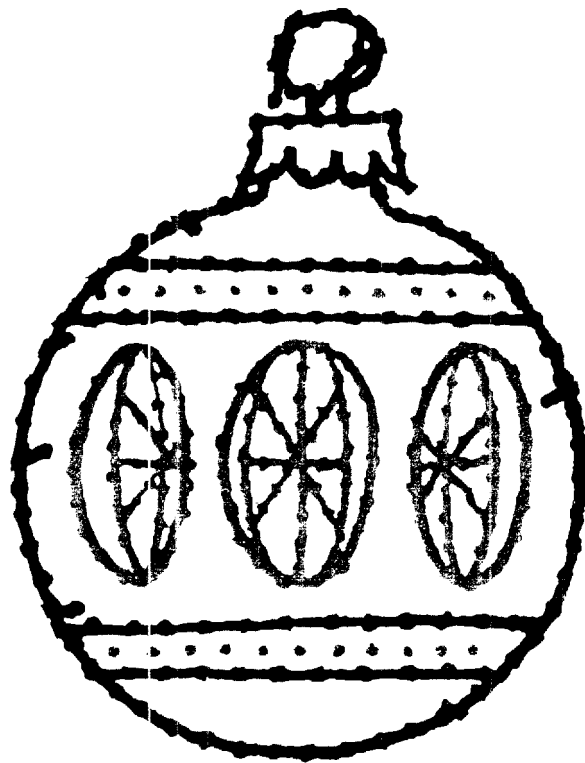
The major dispute arose over the allocation of seats on the two primary committees of the

conference, steering and drafting. The US' claim to a seat on each of these committees—in keeping with the established practice of international conferences—became a focal point of attack by the less-developed states on automatic inclusion of major powers on major conference bodies. Peking heated the controversy further with a proposal that no state should have "dual representation." Western European states, moreover, argued against treating the US as a member of their caucusing group and counting Washington's seats as part of their quota. Although a vague compromise was reached giving the US seats on both committees, the dispute consumed much time and underlined the determination of the non-aligned states to resist concessions to the major powers.

The only deadlock of the session developed over the rules of procedure. As drafted, they contained several innovations designed to restrain abuse of power by the majority. Among these was a "gentleman's agreement" that the conference would not vote on substantive matters until all efforts at consensus had been exhausted. Several non-aligned members unexpectedly moved to delete such restrictions on a majority, while the Soviet Union pressed for conference decisions by consensus with a requirement of concurrence by all regional groups. At the session's close, there was still a proliferation of proposals, with the non-aligned nations seeking to enhance their numerical advantage and the developed states trying to obtain safeguards against being continually outvoted.

25X1





**Secret**

**Secret**